

Interim Report as of March 31, 2022

FIRST SENSOR AG, BERLIN

ABOUT THIS REPORT

The reporting period is the six months from October 1 to March 31, 2022. To ensure this report is as current as possible, it includes all relevant information available up to the Responsibility Statement dated May 31, 2022.

Comparability of disclosures

Due to the change of the financial year as of October 1, 2021 to the new reporting period October 1 of a year to September 30 of the following year, comparability of the figures in this half-year report with the calculated 6-month figures for 2021 (October 1, 2020 to March 31, 2021) in the income statement is possible to a limited extent only. To restore comparability between the reporting periods 6M 2021 and 6M 2022 with reasonable effort, some of the corresponding previous year's figures have been adjusted to reflect the Group structure applicable as of March 31, 2022 and are shown in the report with an asterisk*. The previous year's figures therefore represent figures that would have resulted, had the Group structure in place on March 31, 2022 been in place on March 31, 2021. Due to the different reporting periods, an adjusted cash flow statement, among other things, for the period 6M 2021 cannot be presented.

Information on accounting

The interim consolidated financial statements and the consolidated interim report are prepared in accordance with the International Financial Reporting Standards (IFRS), as adopted by the European Union (EU), as well as additional requirements pursuant to the German Commercial Code (Handelsgesetzbuch – HGB).

The internal control system (ICS) provides reasonable assurance regarding the reliability of financial reporting and compliance with applicable laws and regulations. To monitor the effectiveness of the ICS, there are regular reviews of the processes relevant to financial reporting.

Information on formal presentation

This year, we are once again publishing our interim report exclusively in digital form. It is available as a full-content PDF in German and English. In the event of any discrepancies, the German version of the report shall take precedence over the English translation.

For better readability, we refrain from references to rounding differences in this publication and use only the masculine form. It refers to persons of any gender.

Disclaimer

The interim report contains statements which are forward-looking and do not represent any incitement to buy, hold or sell shares of First Sensor AG, but rather are intended exclusively for information purposes with regard to possible future developments at the company. Forward-looking statements are those that address activities, events or developments that management intends, expects, projects, believes or anticipates will or may occur in the future. By their nature, forward-looking statements are subject to numerous factors, risks and uncertainties that could cause actual outcomes and results to be materially different from the results projected. Our results will be subject to many of the same risks that apply to the semiconductor, automotive, medical technology and industrial industries, such as general economic conditions, interest rate fluctuations, consumer spending patterns and technological changes.

All future-oriented specifications in this consolidated financial report were produced on the basis of a probability-based plan and represent reasonable forward-looking statements regarding the future which cannot be guaranteed. It should be noted that all forward-looking statements only speak as of the date of this report and that First Sensor AG does not assume any obligation, except as required by law, to update any forward-looking statement or to conform any such statement to actual events or development.

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1. TO OUR SHAREHOLDERS

1.1 FOREWORD BY THE EXECUTIVE BOARD

Dear Shareholders and Business Partners,

Russia's attack on Ukraine has truly shaken the global community. Deaths, injuries and refugees in Europe make the immeasurable suffering of this conflict tangible for everyone. We are deeply dismayed by this.

We are also feeling the consequences of the war in our day-to-day business. Energy prices have climbed to unimaginable heights, supply chains have been disrupted or partially interrupted, and the availability of some materials is limited. The sanctions against Russia nevertheless had no significant impact on First Sensor's product sales. As a result, sales increased by 2.5% to €57.2 million compared with the adjusted comparative period of the previous year. Due to future changes in sales structures and the impaired profitability, we have nevertheless decided to adjust the guidance for the full year. Thus, sales are expected to reach €105 to 115 million (previously: €110 to 120 million) and we now expect an EBIT margin of between -2% and +2% (previously: 5 to 7%).

However, we are optimistic about the further course of business. Record levels of new orders have been received in recent months, with orders on hand now standing at around €130 million. This is a solid starting point for future sales development.

This year's Annual General Meeting was once again held virtually on March 15, 2022. The Executive Board and Supervisory Board again answered all questions that shareholders had submitted in due time.

The integration process into the TE Group is now almost complete. Currently, preparations are still underway for the relocation of production from the TE site in Dortmund to Berlin-Oberschöneweide, which is scheduled to be completed before the end of this calendar year. We also expect to switch to a new SAP system shortly. IT integration is an important prerequisite for making even greater use of sales synergies with TE in the future.

Last but not least, we would like to thank Sibylle Büttner, who in her time as a member of the Executive Board made a decisive contribution to the integration of production in particular. The Supervisory Board has appointed Thibault Kassir, Senior Vice President and General Manager of TE Sensors, as a new member of the First Sensor AG Executive Board with effect from April 14, 2022. The aim is to bring the activities of First Sensor AG even more in line with the Sensors business unit of TE Connectivity.

We continue to be delighted by your interest in the development of our company and by your constructive support. As usual, we will keep you informed about the next steps in our journey.

The Executive Board



Thibault Kassir



Robin Maly



Dirk Schäfer

2. CONSOLIDATED INTERIM REPORT

2.1 ECONOMIC REPORT

2.1.1 General Economic and Sector Conditions

Developments in the economy as a whole

Originally, a significant recovery of the global economy was expected in 2022. Since the Russian attack on Ukraine and the severe international sanctions against Russia, experts have reduced these expectations, in some cases significantly. The International Monetary Fund (IMF) most recently lowered its forecast for global economic growth this year to 3.6%, down from 4.4% as recently as January. The effects of the war will also be felt in the euro area, where the IMF expects growth of only 2.8%, down 1.1 points on the last figure. For Germany, the IMF expects gross domestic product (GDP) growth of 2.1%, down from 3.8%. Also as a result of the sanctions due to the Ukraine war and global supply chain problems, the availability of some raw materials is limited.

The IMF expects high inflation rates for the current year. After years of stability, the rise in energy prices as a result of the Ukraine war in particular is accelerating inflation. In the industrialized nations, it is expected to reach 5.7% this year, 5.3% in the euro area and 5.5% in Germany. Monetary policy is therefore expected to be tightened in many countries. The IMF also emphasizes that the economic forecast is subject to an unusually high degree of uncertainty. For example, growth could slow even further, while inflation could still exceed current forecasts if sanctions on Russia's energy exports are extended, for example.

Developments on the sensor market

The members of the German Electrical and Electronic Manufacturers' Association (ZVEI) recorded a 14.6% increase in orders in the first few months of the year. Orders from Germany rose by 13.3% and those from abroad by 15.6%. Orders from customers in the euro area were particularly dynamic, increasing by 24.8%. Production was hampered by supply bottlenecks at 89% of member companies. Shortages of materials and logistics problems were cited as the most common cause, along with a shortage of skilled workers. Nevertheless, sales increased by 9.7% compared with the same period last year. Orders reach achieved an all-time high of 5.7 months of production.

The members of the AMA Association for Sensor and Measurement achieved a 20% increase in sales in 2021 compared with the previous year, performing significantly better than expected (up 9%). After the particularly dynamic start to 2021, the following quarters showed stable sales at a high level. At the start of 2022, there is still an upbeat spirit of optimism in the industry for the financial year.

2.1.2 Financial Position and Financial Performance

Due to the change of the financial year as of October 1, 2021 to the new reporting period October 1 of a year to September 30 of the following year, comparability of the figures in this half-year report with the calculated 6-month figures for 2021 (October 1, 2020 to March 31, 2021) in the income statement is only possible to a limited extent. To restore comparability between the reporting periods 6M 2021 and 6M 2022 with reasonable effort, some of the corresponding previous year's figures have been adjusted to reflect the Group structure applicable as of March 31, 2022 and are shown in the report with an asterisk*. The previous year's figures therefore represent figures that would have resulted, had the Group structure in place on March 31, 2022 been in place on March 31, 2021. Due to the different reporting periods, an adjusted cash flow statement, among other things, for the period 6M 2021 cannot be presented. The following analysis is based on these (*) figures.

Sales development

In view of the gloomy environment resulting from the Ukraine war and the continuing latent restrictions due to the coronavirus pandemic, First Sensor's business performance proved comparatively stable. In the first six months of the 2022 financial year, sales increased by 2.5% to €57.2 million (previous year: €55.8 million). To improve comparability, a pro forma income statement reflecting the current consolidated group has been prepared as a basis for comparisons with the same period of the previous year. Following sales of €29.1 million in the first quarter, sales in the second quarter amounted to €28.0 million. Overall, this development was still in line with the budgets for the year as a whole.

The change in the Group structure compared with previous years is also reflected in the international distribution of sales. Currently, €36.5 million are generated in the DACH region (Germany, Austria, Switzerland, Liechtenstein), which corresponds to almost two thirds of total sales. The share of sales in Asia reached 15.6%, amounting to €8.9 million. The third most important sales market was the rest of Europe with €7.8 million or 13.6% of total sales. North America contributed €3.7 million, or 6.5% of total sales. Comparative figures for the previous period, which take into account the changes in the Group structure and the changed reporting period (change of financial year), have not been determined for this report.

€ thousand	6M 2022
DACH ^o	36,468
Rest of Europe	7,795
North America	3,690
Asia	8,944
Others	270
Total	57,167

^oGermany, Austria, Switzerland, Liechtenstein

Order situation

Incoming orders and the order backlog continued to develop very pleasingly in the first six months of the 2022 financial year. Following €34.3 million in the first quarter, orders worth a further €56.3 million were added to the books in the second quarter, among which were once again larger framework agreements. This therefore resulted in incoming orders for the first six months of 2022 of €90.6 million (previous year: €60.2 million), equivalent to an increase of 50.5%.

The order backlog consequently increased by 62.6% to €129.5 million (previous year: €79.6 million). More than half of the order backlog will be reflected in sales in the current financial year. The book-to-bill ratio improved to 1.56 (previous year: 1.08) and therefore indicates positive future business development.

€ thousand	October 1, 2020 – March 31, 2021*	October 1, 2021 – March 31, 2022	Δ absolute	in %
Incoming orders	60,154	90,560	30,406	50.5
Orders on hand	79,602	129,470	49,868	62.6
Book-to-bill	1.08	1.56		

Result

In the first six months of the 2022 financial year, First Sensor increased sales by 2.5% to €57.2 million (previous year: €55.8 million). To improve comparability, a pro forma income statement reflecting the current consolidated group has been prepared as a basis for comparisons with the same period of the previous year. Following sales of €29.1 million in the first quarter, sales in the second quarter reached €28.0 million. Sales development was therefore in line with original expectations, although the revised Guidance now expects sales of between €105 million and €115 million for the year as a whole (previously: €110 to €120 million).

Inventories of finished goods and work in progress changed only marginally in the course of the first six months of 2022, compared with a decrease of €0.5 million in the same period of the previous year. Own work capitalized decreased significantly to €0.1 million (previous year: €0.5 million). Other operating income decreased slightly year-on-year to €0.7 million (previous year: €0.9 million), resulting in gross revenue of €57.2 million (previous year: €55.8 million).

In the reporting period, the cost of materials increased at an above-average rate to €27.2 million (previous year: €24.6 million). This €2.5 million or 10.3% increase was chiefly due to significant price increases for materials and energy and an interim increase in the number of temporary workers. The cost of materials ratio therefore increased to 47.5% (previous year: 44.1%). This resulted in gross profit of €30.7 million (previous year: €32.0 million).

Staff costs, on the other hand, changed insignificantly, amounting to €19.9 million in the reporting period (previous year: €19.7 million). The staff cost ratio thus improved slightly to 34.8% (previous year: 35.3%). At €8.2 million, other operating expenses also remained at approximately the same level as in the previous period (previous year: €8.3 million).

Earnings before interest, taxes, depreciation and amortization (EBITDA) fell to €2.6 million (previous year: €4.0 million), corresponding to an EBITDA margin of 4.5% (previous year: 7.2%).

Depreciation and amortization dropped to €3.5 million (previous year: €4.4 million), primarily as a result of the discontinuation of customer base amortization resulting from the acquisition of the former Sensortech Group, which was already fully written off in the past financial year 2021. Operating earnings (EBIT) amounted to €-0.9 million for the first half of 2022 (previous year: €-0.4 million). Profitability is therefore not in line with expectations for the financial year and the guidance has recently been adjusted. The EBIT margin is now expected to amount to between -2% and +2% in the 2022 financial year.

The financial result after six months amounted to €-0.4 million and is comparable with the previous year (€-0.4 million). Earnings before taxes for the first half of 2022 came to €-1.3 million (previous year: €-0.8 million). Following tax income of €0.3 million in the comparative period, no (deferred) taxes were incurred in the reporting period as a result of the tax

group with TE. The result for the period therefore also amounts to €-1.3 million (previous year: €-0.5 million). This corresponds to earnings per share outstanding of €-0.12 (previous year: n.a.).

€ thousand	6M 2021*	6M 2022	Δ absolute	in %
Sales	55,793	57,167	1,373	2.5
Other operating income	856	669	-187	-21.9
Changes in inventories of finished goods and work in progress	-532	-59	473	-88.8
Other own work capitalized	521	88	-433	-83.1
Cost of materials/cost of purchased services	-24,620	-27,160	-2,540	10.3
Staff costs	-19,681	-19,892	-211	1.1
Other operating expenses	-8,308	-8,221	87	-1.0
EBITDA	4,030	2,592	-1,439	-35.7
Depreciation of property, plant and equipment and amortization of intangible assets	-4,416	-3,470	946	-21.4
EBIT	-385	-878	-493	127.9
Financial result	-415	-373	42	-10.2
Profit before taxes and non-controlling interests	-800	-1,251	-451	56.3
Income taxes	342	0	-341	-100.0
Profit or loss for the period	-459	-1,251	-792	172.7

* To establish comparability between the reporting periods 6M 2021 and 6M 2022, a corresponding pro forma income statement has been prepared for the period October 1, 2020 – March 31, 2021 and adjusted to the Group structure applicable as of March 31, 2022. The pro forma income statement has also been adjusted for profit on deconsolidation arising from the sale of former subsidiaries and the repurchase of stock options from former Executive Board members.

Capital structure

As of the reporting date of March 31, 2022, the equity of the First Sensor Group increased to €123.0 million (September 30, 2021: €122.0 million). The equity ratio improved to 76.6% compared with 64.4% as of the balance sheet date.

Besides scheduled repayments, the changes in current and non-current financial liabilities are due to reclassifications within lease liabilities and the reclassification of a promissory note loan. Current liabilities also decreased due to the derecognition of the liability for the profit transfer to TE Connectivity. As of the balance sheet date, other current liabilities decreased chiefly due to the utilization of the restructuring provision for the closure of the site in Puchheim.

The fall in the cash pool balance to €27.7 million was primarily due to the high level of investments in the reporting period, the increase in inventories and the profit transfer to TE Connectivity.

At the end of the second quarter of 2022, First Sensor reported a net cash position of €11.3 million, €11.6 million less than at the last balance sheet date.

€ thousand	September 30, 2021	March 31, 2022	Δ absolute	in %
Non-current financial liabilities	17,103	9,213	-7,889	-46.1%
Current financial liabilities	27,278	9,496	-17,782	-65.2%
Cash pool	64,279	27,714	-36,565	-56.9%
Cash and cash equivalents	3,006	2,250	-756	-25.1%
Net debt (-) / Net cash (+)	22,904	11,255	-11,649	-50.9%

It can also be assumed for the future that First Sensor will be in a position to finance operating business and planned growth from the resources at its disposal and in association with TE Connectivity.

First Sensor does not use off-balance sheet financing instruments.

Investments

Cash investments in the first half of the 2022 financial year reached €5.4 million, significantly exceeding depreciation and amortization of €3.5 million. A large part of the investments is related to the relocation of production from the TE location in Dortmund to Berlin-Oberschöneweide. Comparative figures for the previous period, which take into account the changes in the Group structure and the changed reporting period (change of financial year), have not been determined for this report.

€ thousand	October 1, 2021 – March 31, 2022
Investments in intangible assets	418
Investments in property, plant and equipment	5,013
Cash investments	5,431
Sale of intangible assets and property, plant and equipment	972
Other effects	30
Cash flow from investing activities	-4,429
Amortization of intangible assets	-793
Depreciation of property, plant and equipment	-2,677
Depreciation and amortization	-3,470

Liquidity

Operating cash flow amounted to €-7.1 million after the first six months of the financial year. In addition to the net profit for the period, this was adversely affected in particular by changes in working capital and changes in other assets and liabilities, which were negatively impacted by the utilization of the restructuring provision.

Cash flow from investing activities amounted to €-4.4 million.

Cash flow from financing activities amounted to €-24.3 million and was largely defined by the profit transfer to TE Connectivity in the amount of €-22.0 million.

Free cash flow as the sum of operating cash flow and cash flow from investing activities was accordingly negative at €-11.5 million in the reporting period.

A comparison with the corresponding prior-year period (October 1, 2020 to March 31, 2021) is not reasonably possible owing to the change in financial year.

€ thousand	6M 2022
Operating cash flow	-7,071
Cash flow from investing activities	-4,429
Cash flow from financing activities	-24,308
Change in cash and cash equivalents	-35,808
Exchange differences	-12
Cash and cash equivalents at the beginning of the period	65,784
Cash and cash equivalents at the end of the period	29,964
Free cash flow	-11,500

Net assets

Over the course of the first six months of financial year 2022, total assets declined by 15.1% to €160.7 million (September 30, 2021: €189.4 million).

In non-current assets, intangible assets and rights of use under leasing decreased by a total of €0.5 million to €5.6 million as a result of scheduled depreciation, the discontinuation of development projects and derecognitions in connection with the closure of the site in Puchheim. By contrast, tangible assets increased by €1.5 million to €51.4 million, primarily due to the relocation of production from Dortmund to Berlin-Oberschöneweide.

As far as current assets are concerned, inventories posted an increase of €5.6 million to €35.8 million in order to be able to meet delivery obligations despite limited availability of materials. By contrast, trade receivables changed only insignificantly.

The decrease in cash funds in the reporting period by €35.8 million to €30.0 million is due mainly to the profit transfer, the high level of capital expenditure and the build-up of inventories.

Working capital, i.e. inventories plus trade receivables less advance payments and trade payables, increased to €46.2 million in the course of the first six months (September 30, 2021: €43.2 million). By contrast, capital employed as total assets less current liabilities decreased to €135.1 million, compared with €142.0 million as of the balance sheet date.

2.1.4 Overall Statement

The economic environment deteriorated significantly during the first six months of 2022. Supply chains continue to be disrupted by the coronavirus pandemic, and the Ukraine war and the associated economic sanctions against Russia are also impacting overall economic development. Under these conditions, First Sensor achieved a 2.5% increase in sales to €57.2 million. This sales development was consistent with expectations. However, due to future changes in sales structures and the impaired profitability, we have decided to adjust the guidance for the full year. Sales are expected to reach €105 to €115 million (previously: €110 to €120 million).

Profitability did not develop as expected in the reporting period. After six months, EBIT reached €-0.9 million, corresponding to a margin of -1.5%. Due to the cost increases, which will also impact the second half of the financial year, the guidance has therefore been adjusted. The EBIT margin is now expected to amount to between -2% and +2% in the 2022 financial year. Originally, the EBIT margin was expected to reach between 5% and 7%.

2.2 FORECAST, OPPORTUNITY AND RISK REPORT

2.2.1 Forecast Report

General economic and sector conditions

According to statements by the German Council of Economic Experts, the Ukraine war is having a severe impact on the outlook for the global economy. The Council expects continuing high prices for energy and raw materials and the loss of food and fertilizer exports from Ukraine and Russia. In the European Union in particular, it believes economic growth will weaken significantly. In particular, the high dependence on Russian energy imports poses a considerable risk for some member states. A supply freeze or import embargo for Russian energy sources cannot be ruled out.

Before the outbreak of the war, global economic development was robust. The spread of the omicron variant of the coronavirus (SARS-CoV-2) had indeed led to new highs in new infections in many countries. However, the economic impact of the pandemic waves is now increasingly less pronounced. By contrast, the Ukraine war and the sanctions imposed in response are exacerbating the disruption of global value chains and increasing inflationary pressure. The German Council of Economic Experts forecasts GDP growth of 2.9% in both 2022 and 2023 in the euro area. For the forecast, the Council assumes that energy prices will remain elevated in the forecast period, but that there will be no halt to Russian energy supplies. GDP in Germany is expected to grow by 1.8% in 2022. The German Council of Economic Experts expects inflation rates of 6.2% for the euro area and 6.1% for Germany in 2022. According to the Council's assessment, the high dependence on Russian energy supplies poses a considerable risk of lower economic output and even recession, coupled with significantly higher inflation rates.

Development of the sensor market

Sensors play a key role in modern technology. From inertial navigation systems in cell phones to smart wearable health monitoring systems and autonomous driving, demand for sensors is growing rapidly. Sensor technology has also taken a huge leap, with growing applications in areas such as automotive, consumer electronics, oil and gas, utilities, healthcare and industrial manufacturing. In the future, sensors are expected to become smarter and able to measure more accurately.

In a recent study by BCC Research, the global sensor market is estimated to have reached \$156.6 billion in 2021. It is expected to grow to \$249.6 billion by 2026, which would represent a compound annual growth rate of 9.8%.

Forecast for the business development in 2022

Sales

Despite the unfavorable conditions, First Sensor's sales developed pleasingly in the first six months of the 2022 financial year, increasing by 2.5% to €57.2 million. A more dynamic increase was hampered by the partially restricted availability of materials. The very good order situation is a good basis for future business development. Due to future changes in sales structures, the Executive Board has nevertheless decided to adjust the guidance for the full year. Thus, the sales level is expected to reach €105 to €115 million (previously: €110 to €120 million).

Result

Due chiefly to the increased cost of materials, energy and the interim increase in temporary workers, profitability in the first half of the year remained below original expectations. As measures to improve efficiency cannot compensate for these effects in the short term, the Executive Board has decided to also reduce the guidance for the EBIT margin in the 2022 financial to between -2% and +2% (originally 5% to 7%). Profitability is expected to improve significantly again in the medium-term.

Financial position

In the short term, material availability is not expected to have any significant improvements. Working capital will therefore remain elevated in the second half of the financial year. The liquidity position provides sufficient flexibility to finance operations and investments, in particular also thanks to the combination with TE.

Due to the migration of production from the TE site in Dortmund to Berlin-Oberschöneweide and the introduction of the new SAP version, investments will be increased in the 2022 financial year and are expected to reach between €8 million and €10 million. Depreciation and amortization should be below this level at the end of the financial year. Cash flow will be significantly influenced by profitability in the further course of the year.

Overall statement

The coronavirus pandemic has continued to have a negative impact since the beginning of the financial year, including restrictions on supply chains. Since February, economic development has also been hampered by the Ukraine war. In this environment, First Sensor recorded positive business development. However, due to changes in sales structures, management expects total sales for the 2022 financial year to be at €105 to €115 million and therefore somewhat lower than originally anticipated (€110 to €120 million). The negative impacts on profitability cannot be compensated for in the short term, so the guidance for the EBIT margin has also been adjusted. An EBIT margin of between -2% and +2% is now expected instead of 5% to 7%.

2.2.2 Report on Risks and Opportunities

The risks and opportunities for the Group are explained in detail in its 2021 Annual Report. Significant changes have since occurred with regard to the economic environment as a result of the Ukraine war. Due to a sharp rise in energy prices and the scarcity and/or increase in price of some raw materials, the positive outlook for economic growth has been drastically reduced in some cases in recent weeks. A future energy embargo could further exacerbate the situation. An unfavorable economic environment could also have a negative impact on First Sensor's business performance.

Tough international economic sanctions have been imposed on Russia since the start of the war. To a very limited extent First Sensor is currently directly affected by corresponding export restrictions. However, it cannot be ruled out that these sanctions will also affect First Sensor customers, which could have an indirect negative impact on business performance. We analyze developments on an ongoing basis and would take measures to minimize any impact on business performance. At present, the impact of these risks is still of minor significance, but they cannot yet be conclusively and reliably quantified.

3. INTERIM CONSOLIDATED FINANCIAL STATEMENTS 2022

3.1 CONSOLIDATED STATEMENT OF FINANCIAL POSITION (IFRS)

3.1.1 Assets

€ thousand	September 30, 2021	March 31, 2022	Δ absolute
Intangible assets	6,130	5,550	-580
Goodwill	15,979	15,979	-
Property, plant and equipment	49,933	51,399	1,467
Total non-current assets	72,042	72,928	886
Inventories	30,199	35,770	5,572
Trade receivables	18,641	18,331	-310
Financial assets	64,396	27,831	-36,565
Other current assets	1,078	3,581	2,503
Cash and cash equivalents	3,006	2,250	-756
Total current assets	117,318	87,763	-29,555
Total ASSETS	189,360	160,691	-28,669

3.1.2 Equity and Liabilities

€ thousand	September 30, 2021	March 31, 2022	Δ absolute
Issued capital	51,512	51,517	5
Capital reserves	10,023	10,071	48
Retained earnings	60,106	61,162	1,056
Other reserves	1	-10	-11
Non-controlling interests	312	303	-9
Total equity	121,954	123,043	1,089
Provisions for pensions	319	333	14
Non-current financial liabilities	17,103	9,213	-7,889
Other non-current financial liabilities	2,631	2,550	-81
Total non-current liabilities	20,053	12,097	-7,956
Provisions for taxes	841	1,090	249
Other current provisions	339	377	38
Current financial liabilities	27,278	9,496	-17,782
Advance payments received on orders	269	643	373
Trade payables	5,365	7,218	1,853
Other current liabilities	13,260	6,728	-6,533
Total current liabilities	47,354	25,551	-21,802
Total EQUITY AND LIABILITIES	189,360	160,691	-28,669

3.2 CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (IFRS)

3.2.1 Consolidated Income Statement

€ thousand	October 1, 2020	October 1, 2021	Δ absolute
	March 31, 2021*	March 31, 2022	
Sales	55,793	57,167	1,373
Other operating income	856	669	-187
Changes in inventories of finished goods and work in progress	-532	-59	473
Other own work capitalized	521	88	-433
Cost of materials/cost of purchased services	-24,620	-27,160	-2,540
Staff costs	-19,681	-19,892	-211
Other operating expenses	-8,308	-8,221	87
EBITDA	4,030	2,592	-1,439
Depreciation of property, plant and equipment and amortization of intangible assets	-4,416	-3,470	946
EBIT	-385	-878	-493
Financial result	-415	-373	42
Profit before taxes and non-controlling interests	-800	-1,251	-451
Income taxes	342	0	-341
Profit or loss for the period	-459	-1,251	-792
Net loss for the period attributable to First Sensor AG shareholders	-523	-1,242	-718
Net loss for the period attributable to minority interest	65	-9	-74
Earnings per share in € (basic=diluted)	n.a.	-0.12	

* To establish comparability between the reporting periods 6M 2021 and 6M 2022, a corresponding pro forma income statement has been prepared for the period October 1, 2020–March 31, 2021 and adjusted to the Group structure applicable as of March 31, 2022. The pro forma income statement has also been adjusted for profit on deconsolidation arising from the sale of former subsidiaries and the repurchase of stock options from former Executive Board members.

3.2.2 Other Comprehensive Income

€ thousand	October 1, 2021
	March 31, 2022
Net profit/loss for the period	-1,251
Actuarial gains and losses on defined benefit plans	-
Taxes on other comprehensive income	-
Items not subsequently reclassified to profit or loss	-
Changes from currency translation	-10
Remeasurement of derivative financial instruments	-
Expenses recycled to profit or loss	-
Taxes on changes in value offset directly against equity	-
Items that can be subsequently reclassified to profit or loss	-10
Total comprehensive income	-1,261
Thereof attributable to First Sensor AG shareholders	-1,271
Thereof attributable to non-controlling interests	-9

For reasons of materiality, a pro forma other comprehensive income statement has not been prepared.

3.3 CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (IFRS)

€ thousand	Number of shares in thousands	Issued capital	Capital reserves	Retained earnings	Other reserves	Non-controlling interests	Total
As of October 1, 2021	10,302	51,512	10,023	60,106	1	312	121,954
Profit or loss	-	-	-	-1,242	-	-9	-1,251
Other comprehensive income	-	-	-	-	-10	-	-10
Total comprehensive income	-	-	-	-1,242	-10	-9	-1,261
Profit transfer to TE	-	-	-	2,298	-	-	2,298
Share-based remuneration	-	-	22	-	-	-	22
Capital increase from the issue of new shares (IFRS 2)	1	5	26	-	-	-	31
As of March 31, 2022	10,303	51,517	10,071	61,162	-10	303	123,043

3.4 CONSOLIDATED STATEMENT OF CASH FLOWS (IFRS)

€ thousand	October 1, 2021 – March 31, 2022
Profit before tax	-1,251
Interest paid	247
Amortization and impairment of intangible assets and depreciation of property, plant and equipment	3,470
Gains/losses on the disposal of non-current assets	-1
Other non-cash expenses and income	16
Changes in provisions	52
Changes in working capital	-3,410
Changes in other assets and liabilities	-6,443
Income taxes paid	249
Cash flow from operating activities	-7,071
Payments for investments in property, plant and equipment and intangible assets	-5,431
Proceeds from disposal of property, plant and equipment, intangible assets and equity investments	972
Interest received	30
Cash flow from investing activities	-4,429
Proceeds from shareholders	31
Payments due to profit transfer agreement with TE Connectivity	-21,994
Repayments of financial liabilities	-1,628
Payments for the repayment of leasing liabilities	-440
Interest paid	-277
Cash flow from financing activities	-24,308
Net change in cash and cash equivalents	-35,808
Currency differences from converting funds	-12
Cash funds at the beginning of the period under review	65,784
Cash funds at the end of the period under review	29,964

4. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

This First Sensor AG Interim Report as of March 31, 2022, was prepared according to the International Financial Reporting Standards (IFRS) as applicable in the EU, observing the interpretations of the International Financial Reporting Interpretations Committee (IFRIC).

The provisions of IAS 34 were complied with in the interim financial statements as of March 31, 2022. These are condensed financial statements that do not contain all the disclosures of IFRS consolidated financial statements, so these financial statements must be read in conjunction with the notes to the 2021 annual report.

4.1 DEVELOPMENT OF THE FIRST SENSOR GROUP

The First Sensor Group consists of the parent company First Sensor AG, based in Berlin, and two subsidiaries. First Sensor AG is the sole shareholder of First Sensor Lewicki GmbH. First Sensor AG holds 51% of the shares in First Sensor Scandinavia AB. There were no changes in the consolidated group in the period from October 1, 2021 to March 31, 2022.

Non-current assets of €72,928 thousand and investments in non-current assets of €5,431 thousand relate exclusively to Germany.

The average number of employees (full-time employees) of the First Sensor Group in the reporting period was 638.

4.2 INTANGIBLE ASSETS

€ thousand	Concessions, licenses and similar	Internally generated intangible assets	Customer base/brand	Payments on account	Goodwill	Total
Cost of purchase						
October 1, 2021	11,427	4,697	19,573	286	25,275	61,258
Additions	30	88	-	300	-	418
Disposals	-2,039	-733	-	-	-	-2,772
Reclassifications	300	-	-	-300	-	-
March 31, 2022	9,718	4,052	19,573	286	25,275	58,904
Cumulative depreciation						
October 1, 2021	8,552	1,677	19,573	51	9,296	39,149
Additions	608	185	-	-	-	793
Disposals	-1,966	-600	-	-	-	-2,566
Reclassifications	-	-	-	-	-	-
March 31, 2022	7,194	1,261	19,573	51	9,296	37,376
Carrying amount as of October 1, 2021	2,875	3,021	-	235	15,979	22,109
Carrying amount as of March 31, 2022	2,525	2,791	-	235	15,979	21,529

Intangible assets were neither pledged as security for liabilities nor otherwise restricted as of the end of the reporting period.

4.3 NOTES TO THE STATEMENT OF CHANGES IN EQUITY

Due to the profit transfer agreement with TE Connectivity Sensors Germany Holding AG, the dividend distribution in the 2022 financial year was carried out for the first time by TE Connectivity Sensors Germany Holding AG and therefore no longer affected the equity of First Sensor AG. In the previous year, First Sensor AG made distributions to shareholders of €5,762 thousand.

4.4 RELATED PARTY TRANSACTIONS

Related parties as referred to by IAS 24 are the majority shareholder TE Connectivity Sensors Germany Holding AG, TE Connectivity Ltd., Schaffhausen, Switzerland, and its subsidiaries and associates. Transactions with related parties essentially relate to the cash management system, ongoing supply and clearing transactions and service contracts. First Sensor utilizes potential economies of scale by participating in the TE Group's cash management system. All transactions with related parties have been contractually agreed and are carried out at arm's length conditions.

Transactions with individuals or companies who can be subject to the influence of First Sensor or who can influence First Sensor must be disclosed unless such transactions have already been recognized in the consolidated financial statements through the inclusion of consolidated companies.

The following transactions were carried out with individuals and companies deemed related parties of First Sensor:

Goods and services between First Sensor and companies of the TE Group:

€ thousand	October 1, 2020 – March 31, 2022*	October 1, 2021 – March 31, 2022
Sale of goods and services		
Sales	1,866	2,044
Other operating income	200	50
Purchase of goods		
Cost of materials	-	-21
Other operating expenses	-1,238	-2,239
Financing		
Other interest and similar income	48	31

* To establish comparability between the reporting periods 6M 2021 and 6M 2022, a corresponding pro forma income statement has been prepared for the period October 1, 2020 – March 31, 2021 and adjusted to the Group structure applicable as of March 31, 2022. The corresponding transactions with the companies of the TE Group were then determined from the pro forma income statement.

Receivables from and liabilities to companies of the TE Group:

€ thousand	October 1, 2020 – March 31, 2022*	October 1, 2021 – March 31, 2022
Trade		
receivables	908	628
Trade		
payables	885	416

* In order to establish comparability between the reporting dates of March 31, 2021 and March 31, 2022, the figures were determined based on the group structure applicable as of March 31, 2022, i.e. although First Sensor Mobility was not sold to the TE Group until August 27, 2021, the receivables from and liabilities to First Sensor Mobility GmbH are included in this analysis.

4.5 SUPPLEMENTARY REPORT

There were no significant events after the end of the reporting period with an impact on the net assets, financial position and results of operations of the First Sensor Group.

With effect from April 13, 2022, Ms. Sibylle Büttner announced her resignation as a member of the Executive Board of First Sensor AG. With effect from April 14, 2022, the Supervisory Board of First Sensor AG appointed Thibault Kassir, Senior Vice President and General Manager of TE Sensors, as a member of the Executive Board of First Sensor AG in addition to Robin Maly and Dirk Schäfer.

On May 13, 2022, the Management Board adopted and published new guidance for financial year 2022. It now expects sales of between €105 million and €115 million (previously: €110 million to €120 million) and an EBIT margin of between -2 and +2 percent (previously: 5 to 7 percent).

Berlin, May 31, 2022
First Sensor AG



Thibault Kassir



Robin Maly



Dirk Schäfer

STATEMENT BY THE LEGAL REPRESENTATIVES (RESPONSIBILITY STATEMENT) IN ACCORDANCE WITH SECTION 297 (2) SENTENCE 4 AND SECTION 315 (1) SENTENCE 5 HGB

To the best of our knowledge, and in accordance with the applicable reporting principles for half-year financial reporting, the consolidated half-year financial statements give a true and fair view of the assets, financial position and profit or loss of the Group, and the interim Group management report includes a fair review of the development and performance of the business and the position of the Group, together with a description of the principal opportunities and risks associated with the expected development of the Group in the rest of the financial year.

Berlin, May 31, 2022

First Sensor AG



Thibault Kassir

Member of the Executive Board



Robin Maly

Member of the Executive Board



Dirk Schäfer

Member of the Executive Board

First Sensor AG

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